

Message Text

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PAGE 01 LONDON 01656 01 OF 02 032014Z

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ACTION INR-07

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AMEMBASSY BONN

AMEMBASSY STOCKHOLM

AMEMBASSY OTTAWA

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

LIMITED OFFICIAL USE SECTION 01 OF 02 LONDON 01656

E.O. 11652: N/A

TAGS: PINR

SUBJ: FOREIGN SMALL EARTH STATION TECHNOLOGY ASSESSMENT

REF: STATE 282812

1. WE DISCUSSED SMALL EARTH STATION TECHNOLOGY WITH UK'S LARGEST WORLD-WIDE EARTH STATION OPERATOR (CABLE AND WIRELESS), ITS ONLY COMPANY WITH COMPLETE CAPABILITY FOR CONSTRUCTION OF EARTH STATIONS (MARCONI COMMUNICATIONS SYSTEMS LTD.) AND TWO DIVISIONS OF THE DEPARTMENT OF INDUSTRY (POSTS AND TELECOMMUNICATIONS AND SPACE AND AIR RESEARCH). WE TRIED TO DISCUSS SUBJECT WITH THE POST OFFICE, THE PRINCIPAL UK USER, BUT P.O. REFUSED SAYING IT WOULD BE WILLING EXCHANGE INFO BUT IT NOT INTERESTED IN ONE-SIDED SUPPLY OF INFO. WHILE POST OFFICE ATTITUDE MAY FAIRLY BE DESCRIBED AS UNCOOPERATIVE, THE AGENCY WAS AT LEAST FRANK. THE OTHERS WITH WHOM WE TALKED AT SOME LENGTH GAVE US THEIR TIME BUT NOT MUCH USEFUL INFORMATION. THEY AP-

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PAGE 02 LONDON 01656 01 OF 02 032014Z

PEARED SUSPICIOUS AND WERE VERY GUARDED IN THEIR REMARKS.

ALL OF THEM SUGGESTED THEY MIGHT BE MORE FORTHCOMING IF WE WERE EXCHANGING RATHER THAN ONLY SEEKING INFORMATION. WE PRESUME THEY BELIEVE THEY WOULD RECEIVE MORE USEFUL INFORMATION FROM SUCH AN EXCHANGE THAN THEY WOULD BE GIVING.

2. THIS ATTITUDE, ALTHOUGH UNHELPFUL, IS NOT SURPRISING. MOST OF THE UK'S SPACE APPLICATIONS EFFORT HAS BEEN DESIGNED TO TRY TO ACHIEVE FOR THE UK A SATELLITE COMMUNICATIONS CAPACITY AND IT IS CLEAR THAT THE UK HOPES TO ATTAIN A COMPETITIVE FOOTHOLD IN THE FUTURE SATELLITE COMMUNICATIONS MARKET. IT WAS WITH THIS IN MIND THAT THE UK PRESSED SO HARD FOR AND FINALLY SUCCEEDED IN GETTING MAROTS ACCEPTED AS AN ESRO (ESA) PROGRAM WITH THE UK AS THE LEAD COUNTRY. FOR OBVIOUS REASONS, THE UK REGARDS THE US AS ITS PRINCIPAL COMPETITION IN SPACE COMMUNICATIONS AND QUITE UNDERSTANDABLY IT IS HESITANT ABOUT SUPPLYING ANY INFORMATION THAT MIGHT BE USEFUL TO ITS RIVAL IN THIS HIGHLY COMPETITIVE FIELD.

3. FOLLOWING INFORMATION IS AS MUCH AS WE HAVE BEEN ABLE TO DEVELOP HERE IN UK. IT IS KEYED TO UNNUMBERED QUESTIONS CONTAINED PARA 5 REFTEL.

(A) THE UK DOES NOT HAVE A NATIONAL PROGRAM UNDERWAY IN CIVIL FIELD WHICH WILL REQUIRE SMALL EARTH STATIONS. ITS SATELLITE COMMUNICATIONS EFFORT IS TIED TO THAT OF THE EUROPEAN SPACE RESEARCH ORGANIZATION. THE KEYSTONE OF ESRO'S PROGRAM IS MAROTS WHICH IS DESCRIBED AS AN EXPERIMENTAL MARITIME COMMUNICATIONS SATELLITE. THE UK IS PUTTING UP MOST OF THE MONEY FOR THIS PROJECT AND A UK-LED CONSORTIUM IS THE PRIME CONTRACTOR. DETAILS ON THIS PROJECT AS WELL AS OTHER EUROPEAN COMMUNICATION SATELLITE PROGRAMS ARE CONTAINED IN "EUROPE IN SPACE" A PUBLICATION WHICH WE NOTE EMBASSY BONN HAS ALREADY FORWARDED TO THE DEPARTMENT IN RESPONSE TO REFTEL. AS BONN HAS POINTED OUT, THE PUBLICATION ALSO INCLUDES USEFUL DATA ON CAPABILITIES AND COMPETENCE OF UK AND OTHER EUROPEAN AEROSPACE FIRMS. AS FOR THE LIKELY EUROPEAN MARKET FOR SMALL EARTH STATIONS OVER THE NEXT TWO TO THREE YEARS, OUR CONTACTS GAVE US ESTIMATES THAT RANGED ALL THE WAY FROM 10 TO 50 EARTH TERMINALS AND FEW OF OUR SOURCES WOULD HAZARD EVEN A GUESS AS TO HOW MANY MIGHT BE REQUIRED IN THE NEXT DECADE. THEY WERE LIKEWISE EITHER UNCERTAIN ABOUT OR UNWILLING TO STATE THE DIRECTIONS THEY BELIEVE TECHNOLOGY IS MOVING RE SPACE COMMUNICATIONS. IT IS CLEAR, HOWEVER, THAT UK IS CONCENTRATING ITS EFFORT ON SYSTEMS THAT WILL USE 11-14 GHZ FREQUENCY BANDS AND THERE APPEARS TO BE A GENERAL FEELING

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PAGE 03 LONDON 01656 01 OF 02 032014Z

MATES THAT RANGED ALL THE WAY FROM 10 TO 50 EARTH TERMINALS AND FEW OF OUR SOURCES WOULD HAZARD EVEN A GUESS AS TO HOW MANY MIGHT BE REQUIRED IN THE NEXT DECADE. THEY WERE LIKEWISE EITHER UNCERTAIN ABOUT OR UNWILLING TO STATE THE DIRECTIONS THEY BELIEVE TECHNOLOGY IS MOVING RE SPACE COMMUNICATIONS. IT IS CLEAR, HOWEVER, THAT UK IS CONCENTRATING ITS EFFORT ON SYSTEMS THAT WILL USE 11-14 GHZ FREQUENCY BANDS AND THERE APPEARS TO BE A GENERAL FEELING

THAT US (PARTICULARLY HUGHES) HAS SUCH A COMMANDING LEAD
IN 4-6 GHZ SYSTEMS THAT COUNTRIES SUCH AS UK HAVE NO
CHANCE OF COMPETING.

WITH REGARD TO FACTORS THAT WILL INFLUENCE UK IN PLACING
ORDERS FOR SMALL EARTH STATIONS, WE BELIEVE UK IS DETER-
MINED TO TRY TO BECOME COMPETITIVE IN THIS FIELD AND AS A
CONSEQUENCE NORMAL CONSIDERATING SUCH AS COST, FINANCING,

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PAGE 01 LONDON 01656 02 OF 02 032022Z

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LIMITED OFFICIAL USE SECTION 02 OF 02 LONDON 01656

DELIVERY, TECHNICAL PERFORMANCE, POST PURCHASE SERVICING,
ETC., ARE NOT LIKELY TO PERSUADE UKG TO PLACE ORDERS
ABROAD UNLESS IT BECOMES CLEAR UK INDUSTRY HAS FAILED IN
ITS EFFORT TO GAIN A COMPETITIVE FOOTHOLD.

(B) WE ARE TOLD UK HAS TWO GOVERNMENT LABS WITH CAPABILI-

TY FOR DOING IN-HOUSE RESEARCH IN SPACE COMMUNICATIONS: SIGNALS RESEARCH DEVELOPMENT ESTABLISHMENT AND RADAR RESEARCH ESTABLISHMENT. ACCORDING TO OUR SOURCES, HOWEVER, FIRST OF THESE IS CLOSING DOWN IN ORDER CONSOLIDATE EFFORT AT RADAR RESEARCH ESTABLISHMENT. GOVERNMENT RESEARCH IS PRIMARILY FOR MINISTRY OF DEFENSE AND IS OF CLASSIFIED NATURE. IN ADDITION TO GOVERNMENT-CONDUCTED RESEARCH, UKG HAS ALLOCATED TWO MILLION POUNDS FOR RESEARCH WORK TO BE DONE BY PRIVATE COMPANIES OVER TWO YEAR PERIOD. TO QUALIFY FOR GOVERNMENT FUNDS, COMPANIES MUST PUT UP MATCHING LIMITED OFFICIAL USE

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PAGE 02 LONDON 01656 02 OF 02 032022Z

FUNDS FOR ANY RESEARCH THAT IS CONDUCTED. RESULT OF RESEARCH WORK DONE UNDER THIS SHARED COST ARRANGEMENT BECOMES PROPERTY OF COMPANY CARRYING OUT RESEARCH. BECAUSE IT IS REGARDED AS COMMERCIAL AND COMPETITIVE, WE HAVE BEEN UNABLE TO LEARN NATURE OF JOINTLY FUNDED RESEARCH THAT MAY BE UNDERWAY.

(C) MARCONI COMMUNICATIONS SYSTEMS LTD. IS THE ONLY UK COMPANY WITH A COMPLETE INDUSTRIAL CAPABILITY IN EARTH STATION TECHNOLOGY. OTHER LARGE BRITISH COMPANIES WITH A SIGNIFICANT CAPABILITY IN THIS AREA ARE HAWKER-SIDDELEY, BRITISH AIRCRAFT CORPORATION, PLESSY AND FERRANTI. FURTHER DETAILS AS TO TYPE OF WORK EACH ENGAGES IN IS CONTAINED IN "EUROPE IN SPACE".

4. OUR EXPERIENCE IN TRYING TO DEVELOP INFORMATION REQUESTED IN REFTEL LEADS US TO VIEW THAT IT WILL BE VERY DIFFICULT TO PIECE TOGETHER A MEANINGFUL OVERVIEW OF GLOBAL MARKET PROSPECTS FOR SMALL EARTH STATIONS BASED ON COUNTRY-BY-COUNTRY REPORTS FROM DEVELOPED COUNTRIES WITH COMPETING INDUSTRIES. IT WOULD ALSO APPEAR THAT AN IMPORTANT PART OF THIS GLOBAL MARKET RESIDES IN DEVELOPING COUNTRIES MANY OF WHICH HAVE COMMUNICATIONS PROBLEMS THAT CAN ONLY BE SOLVED WITH SPACE SEGMENTS AND SOME OF WHICH HAVE ONLY RECENTLY ACQUIRED THE WEALTH TO MAKE THE SUBSTANTIAL CAPITAL INVESTMENTS REQUIRED. IN THIS CONNECTION, UK DEPARTMENT OF INDUSTRY OFFICIALS TELL US THEY HAVE COMMISSIONED A CONTRACT STUDY TO ASSESS THE GLOBAL MARKET FOR SMALL EARTH STATIONS OVER THE NEXT 10-15 YEARS. THE STUDY WILL BE COMPLETED VERY SHORTLY AND ALTHOUGH SOME OF THE INFORMATION IT WILL CONTAIN WILL BE COMMERCIALLY SENSITIVE, THE UK WOULD BE WILLING TO SHARE NON-SENSITIVE PARTS OF IT WITH US ON A QUID PRO QUO BASIS WASHINGTON AGENCIES MAY WISH TO GIVE THIS SUGGESTION SERIOUS CONSIDERATION. IT HAS ALSO BEEN SUGGESTED TO US THAT MUCH OF THE INFORMATION REQUESTED IN REFTEL IS AVAILABLE THROUGH ITU AND INTELLSAT.

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